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TIGTA Summarizes TE/GE Statistical Trends.

SUMMARY BY TAX ANALYSTS

The IRS Tax-Exempt and Government Entities Division is composed of seven functions and serves entities that employ nearly 25 percent of the American workforce, the Treasury Inspector General for Tax Administration said in a [report](#) dated May 3.

In May 2017 TE/GE realigned various processes that were embedded in five of its functions, and the reorganization affected these functions' staffing, budget, and processes, the report said. Also, TE/GE established five new compliance groups in October 2018 that completed 4,863 compliance checks for three of the functions in fiscal 2019, resulting in a 72 percent change rate.

The Tax Cuts and Jobs Act and the Taxpayer First Act significantly affected TE/GE's operations from 2015 to 2019, TIGTA said. Further, TE/GE experienced inventory backlogs in processing tax-exempt status applications and completing compliance cases because of the federal lapse in appropriations from December 2018 to January 2019. Mitigation actions such as temporary overtime were taken, according to the report.

TIGTA noted that TE/GE's budget decreased by over \$22.5 million from fiscal 2015 to 2019, although there was an increase in the fiscal 2019 budget over the previous year. TE/GE's staffing also decreased by 12 percent over the same time period. By the end of fiscal 2019, TE/GE had 1,500 employees, which was 2 percent of the IRS's total staffing level, according to the report.

TIGTA made no recommendations because the report was made to provide statistical information.

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